

RICHARD PHILLIPS (*In pro per*)

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*¹

Debtor.

Case No. 22-10964 (MG)

**Chapter 11
(Jointly Administered)**

DEMONSTRATIVES FOR USE IN CLOSING ARGUMENTS [3851, 3853, 3879]

In accordance with *Order Establishing Deadlines and Procedures for Closing Arguments* [Docket No. 3851] as modified by Docket No. 3879, please find attached as Exhibit A the draft demonstrative in the format of a PowerPoint presentation to be used in support of my Closing Argument scheduled for October 30, 2023.

Dated: Los Angeles, California
October 26, 2023

/s/

RICHARD PHILLIPS
Creditor

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC's principal place of business and the Debtors' service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

EXHIBIT A

Closing Argument

Richard Phillips, Pro Se

Changes to Plan Post Disclosure Statement Materially Adverse to Creditors

1. Tainted Appointments to Both NewCo Board and Litigation Oversight Committee
 - No creditors appointed to Board, other than self-appointed UCC members
 - Not in best interests of creditors
2. Board ratio reduced from 2.5:1 >> 2:1
3. Resignation of Lead Investor Michael Arrington from NewCo Board
4. Reduced Upfront Investment of only \$33mm
5. Stripped LOC of key oversight of hiring professionals post-Effective Date
6. Plan Administrator overseeing EIP is 25% beneficiary

Professionals consistently changed Plan to detriment of Creditors

Conflicted Board Appointments, Must be Reversed

Name	Conflict	Role
Elizabeth LaPuma	Ex-Perella Weinberg Partners White & Case Client	Board
Emanuel Aidoo	Tax Judgements Perella Weinberg Employee	Board
Vik Jindal	White & Case Client	Litigation Oversight
Gerard Uzzi	Ex White & Case Partner White & Case Client	Litigation Oversight
Chris Ferraro	Oversee & 25% beneficiary Celsius EIP	Plan Admin

Only conflict-free people were supported by Earn and Loans AdHoc.

Board Observers: Joe Lehrfeld,
Brett Perry

LOC: David Adler, Cam Crews

Undercut NewCo Equity Value



Board has NO unconflicted
Creditors

Reduced ratio of creditor control



Pacifier - Board Observers
appointed by Earn have no power



Upfront investment by Fahrenheit
reduced to \$33mm

Limits the amount of price support
for NewCo equity upon listing

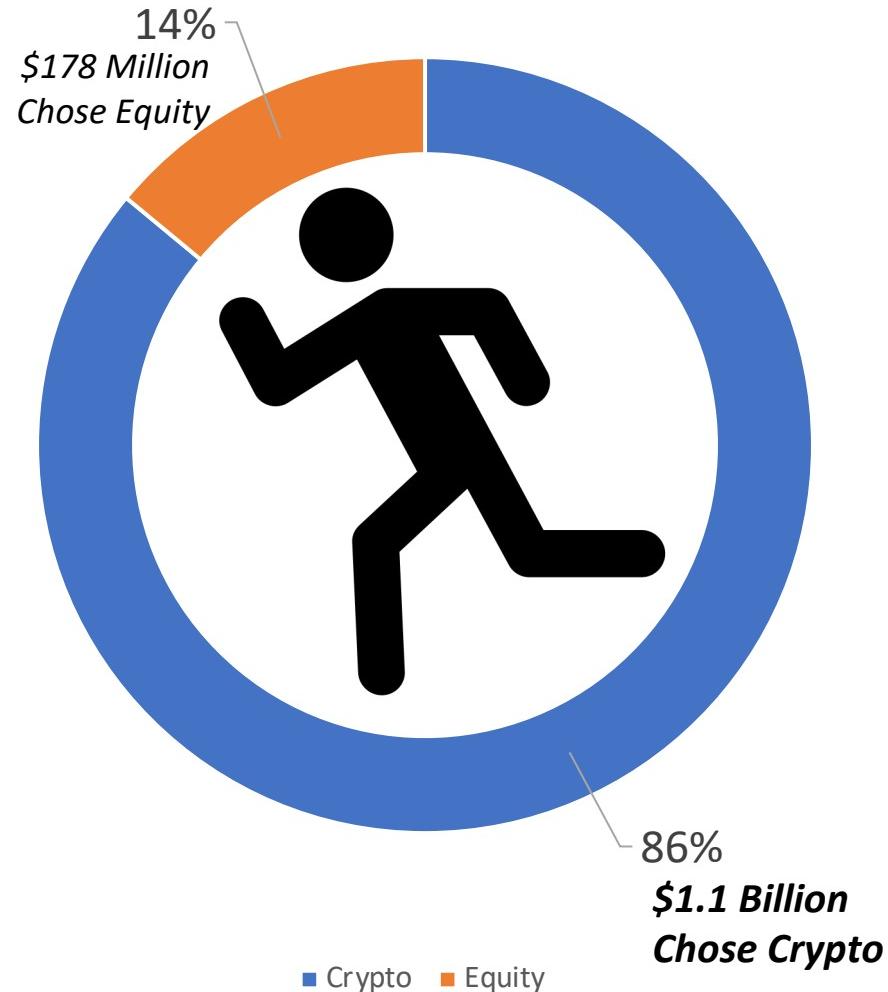


Resignation of lead investor
Michael Arrington over the
appointment of creditor Simon
Dixon as a Board Observer

1st Market
test of
NewCo
Equity value

Sept 2023

Minimal buyers of NewCo equity even at a 30% discount!!!
Toggled 6.19 : 1



Discredited NewCo Valuation

∴ Discount
MUST be
greater than
30%

1) Invalid Valuation of Mining Company

- Market comparable solely used revenue proxies: EV/ExaHash per sec
 - Misequated to self-hosted and vertical integrated competitors
 - Revenue Proxies: Huge mistake that valuation community learned not to repeat in the dot com era
- Bad Forecast input to DCF analysis - grossly inaccurate Network %
 - **450 HASHRATE, NOT 307** reduces revenues and profits
- Company operating at 2/3 of the day 1 plan

2) No HoldCo Discount – 7.5%

- \$450mm staking not productive asset, to needed for mining business capital expenses

3) First Market Test Demonstrates Overvaluation

- Sellers outnumbered buyers 6.19:1 (Fair Value, willing buyers/willing sellers trade)

OWD a Superior Recovery



Distributes More Liquid Crypto on Effective Date

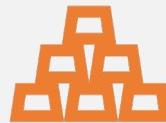


NewCo Equity overvalued by at least 30%



Releases \$450mm liquid crypto holdback

Imperative for Recovery and Accountability



Higher liquid crypto recovery on Day 1: **OWD**



Hold professionals accountable: **Carveout exculpation and releases**



Reverse the tainted appointments to the Board and LOC